(b) The Government has constituted an Expert Group on Nidhi Companies vide order dated 03.06.2005 under the Chairmanship of Shri A.R, Rao, IRS (Retd.) The composition of the Committee is at Statement (See below).

(c) No Sir. The Committee has held its first meeting on 05.08.2005 and not yet submitted any interim or final report.

(d) and (e) The question does not arise.

Statement

Composition of the Expert Group on Nidhi Companies

1.	Shri A.R. Rao, I.R.S. (Retd.) Ex-Chairman, Income Tax Settlement Commission, Chennai	-	Chairman
2.	Shri Y.S. Malik, Joint Secretary, Ministry of Company Affairs, N. Delhi	-	Member
3.	Shri A.V. Sardesai, Executive Director, Reserve Bank of India, Mumbai	-	Member
4.	Shri Arvind P. Datar, Senior Advocate, Chennai	-	Member
5.	Shri R. Anand, Vice-President Corporate Affairs, M/s Sundaram Finance Ltd., Chennai	-	Member
6.	Shri C.R. Vijayaraghavan, Retd. Managing Director, State Bank of Mysore	-	Member
7.	Shri R. Vasudevan, Regional Director (Southern Region), Ministry of Company Affairs, Chennai	-	Member-Secretary,

Collection of Share Money by Companies

†2221. SHRI PYARELAL KHANDELWAL: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) the number and names of the companies which have collected the share money of one crore or more from the public by issuing prospectus after taking permission of Government or SEBI;

(b) the names of the companies which have not yet started production work despite having collected the share money; and

(c) if so, the action taken by Government against them?

†Original notice of the question was received in Hindi.

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) to (c) The information is being collected and will be laid on the Table of the House.

Electronic sale of business information

2222. SHR K. RAMA MOHANA RAO:
SHRI RAMA MUNI REDDY SIRIGIREDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in a major ruling, the Authority for Advance Ruling has held that electronic sale of business information by a foreign company to an Indian company is not taxable in India;

(b) whether it is also a fact that payment of royalty is taxable under the Income Tax Laws of the country; and

(c) if so, whether the sale of business information constitutes royalty?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Authority for Advance Ruling has held in one case that on the facts and circumstances of that case, since the applicant did not have a permanent establishment in India, it will not be taxable in India in respect of the business profits arising from the electronic sale of business information.

(b) Yes, Sir.

(c) Usually, the sale of business information constitutes business income and the same will be taxable in India if the seller has a permanent establishment in India.

Service Tax on Retired Persons Employed by Private Companies

2223. SHRI RAJU PARMAR: Will the Minister of FINANCE be pleased to sate:

(a) whether it is a fact that retired Government servants engaged by private companies as consultants are required to pay service tax at the rate of 10 per cent plus education cess of 2 per cent;

(b) if so, the details and reasons of levying service tax on retired Government servants; and